



UTA BOARD OF TRUSTEES MEETING

DECEMBER 18, 2017





PLEDGE OF ALLEGIANCE

Don't put your safety on hold, just because it's cold.





ITEMS FOR CONSENT



PRESIDENT/CEO REPORT





GENERAL PUBLIC COMMENT PERIOD

PUBLIC COMMENT GUIDELINES

- Fill out a “public comment card”, and check the box indicating that you wish to speak. If you do not wish to speak, check the appropriate box and provide any written comment. Hand your comment card to the Board Secretary, Robert K. Biles.
- The Secretary will call upon each individual wishing to speak in the order cards are received.
- Please state your name into the microphone and proceed with your comments from the podium.
- **In the interest of time, each comment will be limited to two minutes. The Secretary will display the time notify you when your time is up.**
- You will not be allowed to distribute any handouts or propaganda to the Trustees.



FINANCE & OPERATIONS COMMITTEE UPDATE





R2017-12-01: Adoption of Final 2018 Budget





2018 Final Budget Overview

Jerry R. Benson, President/CEO

December 18, 2017

Alignment with Key Initiatives

- Customer experience
- Service improvements
- Community partnerships
- Stewardship
- Long-term vision
- Employee development

Key Initiatives: Customer Experience

■ Better customer experience

- *Mobile ticketing app, UTA GoRide, just launched*
- *\$1M for improved signage, wayfinding*
- *\$1.25M for security cameras on the TRAX System*
- *New service standards soon*
- *Continued work on simplified fare structure*



Key Initiatives: Service

■ Service improvements

- *6% service increase in Weber & Davis*
- *Provo-Orem BRT revenue service begins Aug. 2018*
- *3% system increase in bus revenue miles*



Key Initiatives: Partnerships

■ Strategic community partnerships

- *Provo-Orem BRT*
- *Increase service to Park City*
- *Continue improving ski service*
- *Relocating station at SLC airport*
- *University partnerships, ticket-as-fare and event sponsorships*



Key Initiatives: Stewardship

■ State of Good Repair focus

- *135 new vehicles – bus, paratransit, vans*
- *Rail infrastructure & vehicle overhauls*
- *\$62.8 million in SGR investments*



Key Initiatives: Long-Term Vision

- “Innovative Mobility Solutions” Office
 - *Create pilot projects – technology and collaboration*
 - *Weber/Davis Voucher and Utah Valley Rides*
 - *All electric buses*
 - *Connected buses*



Key Initiatives: Employee Development

■ “Maintenance Mentors”

- *Internship program for HS and college students*
- *Address tight labor market*
- *Develop future maintenance employees*



Public Input & Actions

■ Service requests

- \$500,000 addition
- Increase fare enforcement
- Included fare enforcement for Provo-Orem BRT

■ Fare suggestions

- Will be considered with fare policy work

■ Managing debt from voter-approved FrontLines program

- Advanced refunding underway – NPV savings of \$8 million
- Early debt retirement account

Operating Budget Changes

■ Service increase

- Increase revenue and expense by \$500,000

■ Internal FTE changes

- Moved 3 FTEs between departments; added 2 positions
- Moved 3 positions from capital to operating budget
- Net change = increase in operating expense of \$173,000
- Offset by reduced contribution to early debt retirement reserve

	Tentative Budget	Changes	Final Budget
Revenue	\$402,560,000	\$500,000	\$403,060,000
Expense	\$402,560,000	\$500,000	\$403,060,000

Capital Budget Changes

■ Project Changes

- Lower estimate to replace buses – (\$349,239)
- Positive train control increase – \$400,000
- Electric bus implementation increase – \$200,000

■ Internal FTE changes

- Moved 3 positions from capital to operating budget
- Reduced 1.5 capital positions
- Net change a decrease in capital expense of \$357,798

	Tentative Budget	Changes	Final Budget
Revenue	\$228,935,000	\$(107,000)	\$228,828,000
Expense	\$191,287,000	\$(107,000)	\$191,180,000

Summary

- **Addresses public feedback**
 - \$500,000 increase for service improvements
 - Increase fare enforcement
 - Included fare enforcement for Provo-Orem BRT
- **Aligned with strategic direction and initiatives**
- **Partnerships, innovations to add value**
- **Positions UTA for the future**


Next Step

- **Dec. 13 - Board considers 2018 final budget**


Thank You

Questions?





R2017-12-02: Bond Parameters





Utah Transit Authority

Tax Reform, Advanced Refunding Plan and Bond Resolution

December 18, 2017

Tax Reform

- Change to advance refunding provisions
- Effect on UTA

Advanced Refunding Plan

- Primary consideration - must close by December 28
- Recommended plan – direct purchase with Wells Fargo
 - Experience with direct purchase – 2014
 - Underwriter experience
- Close on December 28
 - Maximum of \$130 million
 - Estimated NPV - over \$8 million
- Retire the direct purchase with the 2018 bond issue
 - Pricing scheduled for early February
- Final sign-off on bond issuance by designated officers: Board Chair; Chair of Finance Committee; Treasurer or Deputy Treasurer

Advanced Refunding Plan

Potential Risks

- Yield curve changes before 2018 bond issue
 - Positive if markets lower
 - Negative if markets go higher
 - Price in early 2018
- Market changes dramatically
 - May need to wait to complete bond issue
 - Using a 3-year direct purchase with call provisions

Issuance Costs

- Estimated additional issuance costs are \$100,000
- Offset by lower debt service costs for two months
 - Estimated at \$453,000

Bond Resolution

- Resolution authorizes the issuance of bonds for:
 - Refunding 2007 and 2012 bonds - \$130 million
 - 2018 capital plan - \$88.5 million
- Bond must be issued within the following parameters:
 - Maximum Par Amount:** \$218,500,000
 - Maximum Length to Maturity:** 30 years
 - Maximum Interest Rate (Coupon):** 5.5%
 - Maximum Discount from Par:** 2%
- Final sign-off on bond issuance by designated officers: Board Chair; Chair of Finance Committee; Treasurer or Deputy Treasurer

Next Steps

December: Designated Officers work with staff and finance team on direct purchase

January: Designated officers work with staff and finance team to prepare for bond sale

January: Receive ratings from bond rating agencies

February 13: Bond sale date


February 14: Report results

March 1: Bond Closing




SERVICE & CUSTOMER RELATIONS COMMITTEE UPDATE





R2017-12-03: Accepting Citizens' Advisory Board Nominations



CITIZENS' ADVISORY BOARD NOMINEES:


- Marina Agloro
- Shauna Brock
- Casey Cameron
- Chana Cummings
- Fati Faatau
- Iain Hueton
- Brett McKeachnie
- LeRoy Padilla
- Beau Pitcher
- Aynoa Rincon




CLOSED SESSION



OPEN SESSION



R2017-12-04: Board Meeting Schedule



2018 Regular Meeting Schedule

- 1/24/18
- 3/28/18
- 5/23/18
- 6/27/18
- 8/22/18
- 9/27/18
- 10/25/18
- 11/14/18
- 12/12/18




OTHER BUSINESS



Next meeting scheduled
for:

Wednesday, January 24th
at 1:30 p.m.





SWEARING IN OF NEW CHAIR

GREGORY S. BELL





ADJOURN